

BOARD OF ALDERMEN

ITEM NO. B(2)

AGENDA ITEM ABSTRACT

MEETING DATE: October 14, 2003

TITLE: A Resolution Authorizing Submission of a 2003 Scattered Site CDBG Application

DEPARTMENT: Community and Economic Development	PUBLIC HEARING: YES ____ NO <u>x</u>
ATTACHMENTS: A. Resolution B. Application Summary	FOR INFORMATION CONTACT: James Harris 918-7319

PURPOSE:

The Mayor and Board of Aldermen are requested to adopt a resolution authorizing the submission of the 2003 Scattered Site CDBG application and authorizing the Orange County Board of Commissioner's Chair to sign the application, on behalf of the Town of Carrboro, Hillsborough, and Orange County.

BACKGROUND:

The County was recently notified by the N.C. Department of Commerce – Division of Community Assistance of the award of \$400,000 in Scattered Site Housing Rehabilitation funds under the FY 2004 Community Development Block Grant (CDBG) Program. Orange County received \$400,000 in housing rehabilitation funds in 2001. These grant funds are no longer competitive, and each interested county in North Carolina is scheduled to receive an allocation every three years to provide housing rehabilitation funds for the County and the municipalities within the County. These grant funds must be used to repair substandard housing occupied by low-income families in the Towns of Carrboro and Hillsborough as well as the unincorporated areas of Orange County. In order to receive the funds, a formal application must be submitted to the State identifying the units that will be repaired.

In 2001 the Town of Carrboro agreed that the HOME Review Committee would serve as the projection selection committee. The existing Orange County HOME Review Committee is staffed and has an elected official from the participating jurisdiction. The HOME program has an established waiting list of individuals that meet the eligibility guidelines for both programs. With the infusion of these dollars we are able to move the people on the waiting list up for housing rehabilitation assistance.

The County Housing and Community Development Department, which is staffed with a rehabilitation specialist, provides the administration for the program. The County also has the financial systems in place to receive the funds and pay for the construction work. For this service the County receives an administrative fee of 10% of the grant amount. The goal of the program is to repair substandard owner-occupied and rental housing units owned and occupied by low-income families. The program is designed as a deferred loan program with five, ten, and fifteen-year terms depending upon the amount of the loan. Homeowners with incomes at or below 50% of area median income are eligible for this program and the houses must have minimum housing code deficiencies in order to qualify for assistance. Further, the units must be located in the Towns of Carrboro, Hillsborough, and unincorporated Orange County.

In accordance with the Division of Community Assistance requirements, a second public hearing must be held to receive citizen comments before submission of the application. Comments received at this hearing will be incorporated into the application prior to submission on or before October 24, 2003.

FINANCIAL IMPACT:

Applications for these funds represent an additional \$400,000 available for affordable housing initiatives in the County.

RECOMMENDATION:

It is recommended that the Board:

- 1) Approve a resolution authorizing the submission of the formal application document on or about October 24, 2003; and
- 2) Authorize the Orange County Board of Commissioner's Chair to sign the application document on behalf of the Town of Carrboro, and Hillsborough.